



July 26, 2006

Social Security Packet

- In 2005, President Bush made his plan to privatize Social Security his top priority and traveled around the country to promote it.
- Republicans continue risky plan to privatize Social Security
 - President's budget sets aside more than \$700 billion over 10 years for Social Security privatization
 - The President's budget update in July contains Social Security private accounts
 - Top Bush officials and Republican congressional leaders have said several times that they plan to return to Social Security after the 2006 election
 - Continue to raid Social Security Trust Fund
- Republican plan was resoundingly rejected by the American public
 - Slashes benefits for middle-class Americans by more than 40 percent for future retirees.
 - Replaces guaranteed Social Security benefits with risky private accounts.
 - Drains trillions of dollars from the Social Security Trust Fund, threatening seniors' benefits.
 - Increases the national debt by about \$5 trillion over 20 years
- Democrats are fighting for a New Direction for America, with retirement security and dignity for all Americans
 - ✓ Stop Bush Administration plans to privatize Social Security
 - ✓ Enact real pension reform to protect employees' financial security from CEO corruption and mismanagement, including abuse of the bankruptcy laws.
 - ✓ Expand personal savings incentives.

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Democrats Fight to Stop Social Security Privatization And Work to Strengthen Social Security

The Bush Administration and Congressional Republicans quietly continue with their hidden risky plan to privatize Social Security

- President's budget sets aside more than \$700 billion over 10 years for Social Security privatization
- This month, the President's budget update contains Social Security private accounts
- Top Bush officials and Republican congressional leaders have said several times that they plan to return to Social Security after the 2006 election

President's Social Security Privatization Cuts Guaranteed Benefits that Workers Have Earned

- Slashes benefits for middle-class Americans by more than 40 percent for future retirees.
- Cuts benefits even if you don't open a risky private account.
- Hits anyone who earns more than \$20,000 a year for the largest single benefit cut in Social Security in history.
- Imposes a privatization tax on top of the middle-class benefit cut, so those who have accounts lose even more of their guaranteed benefit.
- Replaces guaranteed Social Security benefits with risky private accounts.

President's Social Security Privatization Weakens Social Security and Increases the National Debt

- Drains trillions of dollars from the Social Security Trust Fund, threatening seniors' benefits.
- Increases the national debt by about \$5 trillion over 20 years, endangering our economy and increasing our borrowing from foreign nations.
- Weakens the financing of Social Security, when we should be strengthening it.

Republican Bill in Congress is More of the Same – Privatization, Pure and Simple

- Still cuts guaranteed benefits and creates private accounts.
- Still explodes the national debt – increasing it by \$1.1 trillion in 10 years – and uses gimmicks to cover up the true cost.
- Does nothing to stop the Republican raid on the Social Security surplus. Republicans have already raided Social Security by \$850 billion.

Social Security Provides Guaranteed Benefits that Americans Have Earned

- Americans have earned their Social Security benefits.
- Social Security safeguards Americans' independence and economic security in retirement and for families coping with death or disability.
- Social Security can pay full benefits until 2046, and about 80 percent of benefits thereafter. (CBO)

Democrats are Committed to a Bipartisan Solution to Strengthen Social Security

- Stop Republicans from raiding the Social Security Trust Fund surplus.
- Pay back what we owe the Social Security Trust Fund through fiscally responsible budgets.
- Once private accounts are off the table, Democrats want work on a bipartisan basis to strengthen Social Security without increasing the deficit, harming the middle class, or slashing guaranteed benefits.

Danger of Social Security Cuts in 2007 is Imminent; Republicans Continue Hidden Plan for Social Security Privatization

In 2005, President Bush made his plan to privatize Social Security his top priority and traveled around the country to promote it. Because the President's plan cut Social Security benefits for middle-class Americans and increased the national debt, the plan was resoundingly rejected by the American public.

Despite this rejection, the Bush Administration and Congressional Republicans quietly continue with their hidden plan to privatize Social Security. This year's budget sets aside \$712 billion over the next 10 years for Social Security privatization. In July, when the President updated his budget, it contained Social Security private accounts. Further, top Bush officials and Republican congressional leaders have said several times that they plan to return to Social Security after the 2006 election.

Despite Democrats success in killing the risky Social Security privatization plan, the President will never give up on privatizing Social Security. Democrats have a New Direction for America to promote retirement security, beginning by stopping the Republicans' risky privatization scheme. Democrats will continue to fight on behalf of our nation's seniors and families' to make sure the people's will prevails.

Republican Actions in 2006:

President's Budget Privatizes Social Security & Raids the Social Security Surplus.

- Despite the American public's clear opposition to his flawed privatization plan, the President's FY 2007 budget turns Social Security's guaranteed benefit into a guaranteed gamble.
- The President's budget proposes the privatization of Social Security, including the middle-class benefit cuts. For the first time the budget includes the cost of the private accounts -- \$712 billion over 10 years, with the cost in later years substantially higher, as the private accounts would not begin until 2010 -- three years into the budget window.
- In the FY 2007 Budget, the Administration's reckless policies once again call for spending all of the Social Security surplus every year for the next 10 years (\$2.5 trillion) and beyond for the day-to-day operations of government, rather than for Social Security.

President's Mid-Session Review (July 2006) Renews Social Security Privatization.

- Includes the President's proposal to privatize Social Security and increases the cost estimate over the next 10 years from \$712 to \$721 billion to turn Social Security into a system of private accounts with lower guaranteed benefits to Americans.

Line-Item Veto and Sunset Commission Bills Threaten Social Security.

- House Republicans passed a line-item veto bill that goes far beyond pork barrel spending and could allow the President to cut Social Security benefits, and virtually all Republicans rejected Democratic efforts to protect Social Security. [H.R 4890, Vote # 316, 170-249]

- This week, the House may consider budget process legislation that proposes a commission with the power to put privatization of Social Security on a fast track. [H.R. 5766 – Government Efficiency Sunset Act, and H.R. 3282 – Sunset Commission]

Republican Words on Social Security in 2006:

President George W. Bush: *“Now is the time for the Congress and the President to work together to reform Medicare and reform Social Security...If we can’t get it done this year, I’m going to try next year. And if we can’t get it done next year, I’m going to try the year after that, because it is the right thing to do...Now is the time to solve the problems of Medicare and Social Security, and I want your help... I’d like to put this on your agenda, and let you know the White House and members of the Senate and the House are anxious to deal with this issue and get it done once and for all.”* [Bush remarks to Manhattan Institute, 6/27/06]

Karl Rove: *“I will point out that no president has made a more concerted or determined effort to reform Social Security, our nation’s largest entitlement. The president encountered enormous resistance to what were bold but practical reforms...But President Bush will continue to keep entitlement reform front and center on the nation’s political agenda.”* [Rove remarks to the American Enterprise Institute, 5/15/06]

White House Chief of Staff Josh Bolten: *“Looking ahead to next year, he is trying to lay the groundwork for a renewed effort to reform Social Security and Medicare, the federal health-care program for seniors.”* [Wall Street Journal, 6/17/06]

Louisiana Rep. Jim McCrery, Republican chairman of the Social Security Subcommittee, on the 2007 Agenda: *“Looking at the lay of the land politically and substantively, it seems to me the more logical order would be Social Security, then tax reform, then healthcare reform.”* [Congress DailyPM, 6/6/06]



Sample Op-ed for the 71th Anniversary of Social Security

Seventy one years ago, Democrats created Social Security to provide retirement security for all Americans. In 1935, bank failures and a stock market crash had wiped out the savings of millions of Americans. Old age meant poverty and dependence. President Franklin Roosevelt envisioned that Social Security would provide benefits to workers that they earned during their working years, which in turn would allow them to retire with dignity and independence. Today, it is clear that Social Security has succeeded in meeting President Roosevelt's grand goal.

Social Security is a great American success story that safeguards Americans' independence and economic security when they get older. Social Security has provided more than 70 years of rock solid, guaranteed benefits -- providing financial security to millions of seniors, surviving spouses, and people with disabilities. Right now, one out of every four households receive monthly benefits from Social Security -- 33 million Americans receive retirement benefits, and another 15 million receive survivors and disability benefits. Social Security provides a guaranteed benefit that people have earned through a lifetime of hard work. Social Security has never failed to pay promised benefits, and has never been late. Democrats will fight to make sure that great success continues.

Xxx people here in [STATE] depend on Social Security. This includes xxx people with disabilities, xxx seniors, xxx survivors, and xxx children. Social Security and Democratic efforts to strengthen it are vital to people like [Insert story about a local constituent]

Democrats have fought to strengthen and improve Social Security to better help America's families. For example, in the 1950s, we added disability benefits. In the 1960s, we created Medicare to guarantee health care for our seniors. In 1983, Democrats worked with President Reagan in a bipartisan way to come up with a plan to make sure that Social Security would be there for generations to come. In the 1990s, Democrats fought to restore fiscal responsibility, and we saved every penny of the Social Security surplus for several years in order to strengthen Social Security.

While Democrats have fought all along to strengthen Social Security, Republicans have threatened to replace a guaranteed benefit with a guaranteed gamble. Last year, President Bush's top priority was a Social Security plan that would dismantle Social Security and cut its guaranteed benefits. And further, it would increase our national debt by \$5 trillion over 20 years, passing the bill onto our children and grandchildren. Overall, it would drain trillions from Social Security and make it harder to pay guaranteed benefits. Because the harm they would cause, the plan was resoundingly rejected by the American public.

Despite this rejection, the Bush Administration and Congressional Republicans quietly continue with their hidden plan to privatize Social Security. This year's budget sets aside \$712 billion over the next 10 years for Social Security privatization. In July, when the President updated his budget, it contained Social Security private accounts. Further, top Bush officials and Republican congressional leaders have said several times that they plan to return to Social Security after the 2006 election.

On its 71th anniversary, Democrats are celebrating the success of Social Security and renewing our commitment to strengthening it for generations to come. We have a moral obligation to stand up and protect Social Security for the next 70 years and beyond. Once the Republicans' risky private accounts are off the table, Democrats are committed to finding a bipartisan solution that will strengthen Social Security so that it can pay full benefits without increasing the deficit, harming the middle class, or slashing guaranteed benefits. For more than 70 years, American families have been able to count on Social Security; benefits have never been a day late or a dollar short. While Republicans are seeking to cut benefits, Democrats will fight to make sure that future generations of American families will be able to count on Social Security just as much.

71TH ANNIVERSARY OF SOCIAL SECURITY

August 14, 2006

Social Security Reflects The Core Values of Democratic Party

More than seventy years ago, Democrats created Social Security to provide retirement security for all Americans. In 1935, bank failures and a stock market crash had wiped out the savings of millions of Americans. Old age meant poverty and dependence. President Franklin Roosevelt envisioned that Social Security would provide benefits to workers that they earned during their working years, which in turn would allow them to retire with dignity and independence. Today, it is clear that Social Security has succeeded in meeting President Roosevelt's grand goal.

Social Security is a great American success story that safeguards Americans' independence and economic security when they get older. Social Security has provided 70 years of rock solid, guaranteed benefits -- which has provided financial security to millions of seniors, people with disabilities, and families who have lost a breadwinner. The monthly benefit is predictable and steady; keeps up with inflation; and does not fluctuate with the stock market. Right now, about 48 million people receive monthly benefits from Social Security, or one out of every four households -- including 33 million retirees and 15 million surviving spouses and people with disabilities. On its 71th anniversary, Democrats are celebrating the success of Social Security and renewing our steadfast commitment to strengthening Social Security for generations to come.

Social Security provides a guaranteed benefit that people have earned through a lifetime of hard work. The ingenious premise behind Social Security that we are celebrating today is that you contribute to the system when you are working, and earn the right to guaranteed benefits that are paid when you retire, if you become severely disabled, or if you die and leave dependent survivors. Social Security has never failed to pay promised benefits -- it has never been a day late or a dollar short. Democrats will fight to make sure that record of success continues.

Social Security is the cornerstone of retirement security, making sure that every generation of seniors can retire with dignity. More than 90 percent of seniors receive Social Security benefits. It has pulled millions of seniors out of poverty. Two out of every three Social Security beneficiaries receive more than half of their income from Social Security, and it's the only source of income for nearly one in five seniors. Without Social Security, 12 million American seniors would live in poverty.

Social Security also provides critical financial security to families who have lost a breadwinner and to people with disabilities. Almost 15 million people are helped through Social Security's disability and survivor benefits. These benefits protect young parents who have lost a spouse, children who have lost a parent to death or disability, elderly widows, and adults who are severely disabled and cannot work.

Social Security is as vital to the American people today as it was 70 years ago. Despite our efforts to encourage savings and investment, Americans are still not saving enough for their retirement. Even today, barely half of all workers have access to retirement plans at work, and millions reach retirement without enough savings to achieve lasting financial security. Social Security is still the foundation for most seniors' retirement. Without this critical safety net, half of American seniors would fall into poverty.

Democrats Created and Are Fighting to Strengthen Social Security

Democrats have fought to strengthen and improve Social Security to better help America's families.

For example, in the 1950s, we added disability benefits. In the 1960s, we created Medicare to guarantee health care for our seniors. In 1983, Democrats worked with President Reagan in a bipartisan way to come up with a plan to make sure that Social Security would be there for generations to come. In the 1990s, Democrats fought to restore fiscal responsibility, and we saved every penny of the Social Security surplus for several years in order to strengthen Social Security.

Republican Social Security Privatization is a Risky Scheme that Cuts Guaranteed Benefits

Democrats have fought all along to strengthen Social Security, even as Republicans intend to replace a guaranteed benefit with a guaranteed gamble.

Last year, President Bush's top priority was a Social Security plan that would dismantle Social Security and cut its guaranteed benefits by more than 40 percent for middle class beneficiaries. This would be the single largest benefit cut in the history of Social Security. Further, it would increase debt by \$5 trillion over 20 years. Indeed, his privatization proposal actually takes money out of Social Security and makes it harder to pay guaranteed benefits. And, Republicans in Congress introduced their own privatization plan that, like the President's, cuts guaranteed benefits and explodes the national debt. It does nothing to strengthen Social Security.

Republicans have also raided Social Security and used the money for other purposes. Over the last six years, Republicans have raided a total of \$850 billion from the Social Security surplus. And Republicans are planning to use every penny of the Social Security surplus for other programs over the next decade, a total of \$2.5 trillion.

As we celebrate the 71th Anniversary of Social Security, we renew our commitment to protect Social Security from the assault of Republican privatization. Democrats are celebrating the success of Social Security and renewing our steadfast commitment to strengthening it for generations to come. We have a moral obligation to stand up and protect Social Security for the next 70 years and beyond, and that means stopping privatization. Once Republicans drop their partisan demand for private accounts, Democrats stand ready to develop a bipartisan package of common-sense adjustments that will strengthen Social Security so that it can pay full benefits -- without increasing the deficit, harming the middle class, or slashing guaranteed benefits.



SOCIAL SECURITY BY THE NUMBERS

SOCIAL SECURITY IS THE FOUNDATION OF A SECURE RETIREMENT

People receiving Social Security benefits	48 million
Retirees receiving Social Security benefits	33 million
Seniors who would live in poverty without Social Security benefits	48 percent
Size of average monthly benefit	\$1,002
Social Security is solvent for another	40 years

PRESIDENT'S PRIVATE ACCOUNTS CUT GUARANTEED SOCIAL SECURITY BENEFITS

Size of benefit cuts proposed by the President	More than 40 percent
Amount Wall Street would profit from private accounts	\$940 billion
Amount President would borrow over 20 years, mostly from foreign countries, to finance risky private accounts	\$4.9 trillion
Amount of the government tax on private accounts	70 percent
If the President's proposal were in place today, the average senior's monthly benefit would be cut	\$256 per month

GOP PROPOSALS MAKE SOCIAL SECURITY WEAKER, NOT STRONGER

Prepared by the Office of the House Democratic Leader, July 25, 2006

Raiding the Trust Fund: the Democratic and Republican Records

Both parties have a history of opposing use of the Social Security Trust Fund surpluses to fund other programs. But while their rhetoric is similar, Democrats have a much stronger record than Republicans when it comes to action on this issue.

GOP Record of Raiding Trust Fund

- In the late 1990s, when the budget shifted into surplus, Republicans sought to use the surplus for tax cuts, without protecting the Social Security surplus.
- At that time, Republicans also sought to pass a balanced budget constitutional amendment that did not protect Social Security funds from being used to fund other programs.
- When Republicans took control of government in 2001, despite past GOP efforts to use it for tax cuts, the entire Social Security surplus was being saved. Republicans promised to continue this policy and protect the Social Security surplus.
- Instead they used part of the surplus in 2001, as well as every penny of it in 2002 and every year since – a total of \$850 billion used for other purposes.
- The budget resolution they approved a few months ago would spend \$195 billion of Social Security surpluses on other programs next year.
- The budget resolution, like the President's budget, would use every penny of the Social Security surplus for other programs over the next decade, a total of \$2.5 trillion.
- Now, they say they have a plan to stop themselves and keep the money from being spent on other programs. But a look at the fine print confirms that there is no change.

Democrats Fight to Protect Trust Fund

- Democrats led the fight for deficit reduction in 1993, and put us on a path that ultimately led to a balanced budget that allowed us to protect the Social Security surpluses.
- Democrats succeeded in blocking the balanced budget amendment, in large part because of concern that it did not protect the Social Security surplus.
- When the surplus materialized, Democrats blocked GOP efforts to spend part of the Social Security surplus on tax cuts.
- For several years under President Clinton, we saved every penny of the Social Security surplus. A total of \$474 billion in Social Security surpluses were saved.
- Democrats fought for a "lockbox" to guarantee they would continue to be saved.
- Democrats have continued to fight for responsible budgets and to restore the PAYGO rules that would prevent Congress from widening the deficit and making it harder for us to resume saving Social Security surpluses for Social Security.



A Democratic Plan for Retirement Security

AmeriSave is the Democratic plan to help middle-class families build retirement security, to expand opportunities to save, and to ensure pension fairness.

Today's middle-class families are struggling to pay for exploding health care costs, rising college tuitions, and higher gas prices at the pump. Many Americans are also facing the dismal prospect of finding their pensions increasingly at risk as companies such as United Airlines enter bankruptcy. These realities make saving for retirement an even greater challenge.

Democrats are fighting to strengthen and safeguard Social Security's guaranteed benefit, but we must do more so that every American has the opportunity to build a secure retirement. Unfortunately, the Republican majority in Congress has done little to help American families save for their retirement years and has failed to protect pension benefits that workers were promised.

Republican failures on retirement security are further exacerbated by reckless Republican budget policies that have resulted in a staggering \$7.7 trillion of debt, much of which is borrowed from foreign governments. Republican fiscal irresponsibility threatens our economic future and will burden the young workers of today as they are forced to pay the bill for misplaced Republican priorities. Democrats have long supported the "pay-as-you-go" principle, which requires that tax cuts and new spending be paid for with savings elsewhere in the budget.

Democrats are committed to providing middle-class families with the tools they need to achieve retirement security. The AmeriSave Plan will expand and improve existing retirement accounts, such as 401(k)s and IRAs, so that American families can benefit from the power of compound interest while retaining Social Security's guaranteed benefit. Under the Democratic plan, nearly 100 million Americans will be eligible for the "AmeriSave Match," which will match dollar-for-dollar the first \$1,000 contributed to an IRA, 401(k), or similar retirement plan.

Democrats will strengthen retirement security without adding to the deficit. The AmeriSave Plan will increase national savings and grow our economy while helping middle-class families prepare for a brighter future.

AmeriSave: A Democratic Plan for Retirement Security

The AmeriSave Plan will promote retirement savings and pension fairness without burdening future generations with additional debt. Specifically, the AmeriSave plan will --

Build Retirement Security: Democrats will provide nearly 100 million Americans with the opportunity to create a retirement nest egg and will empower AmeriSavers with information on investing in the stock market.

- **AmeriSave Match:** Help middle and working-class families achieve retirement security by matching dollar-for-dollar the first \$1,000 contributed to an IRA, 401(k), or similar plan. The AmeriSave Match will not involve creating a new type of account; instead, it builds on a successful model of 401(k)s and IRAs by increasing incentives to participate. Individuals would receive their AmeriSave Match after they filed a tax return, at which time the funds would be directed to their 401(k) or other plan.
- **AmeriSave Financial Counseling:** Empower AmeriSavers with information on retirement saving options by providing a tax credit to employers who encourage access to independent, certified financial counselors for employees who are eligible for the new AmeriSave Match.

Expand Opportunities to Save: Democrats will establish tax credits to give small businesses the resources they need to set up retirement accounts for their employees and will simplify and strengthen existing opportunities to help Americans save more for their retirement.

- **Spur Savings for Small Business Employees:** Help small businesses offer 401(k), IRA, and other similar plans to their employees by providing them with a tax credit to help cover the administrative costs of offering employees the opportunity to save.
- **Automatic 401(k) Participation:** Dramatically increase the number of people investing in 401(k) accounts by encouraging employers to automatically enroll eligible employees into these types of retirement plans unless the employee chooses not to participate. Also, lower-income working families would no longer be disadvantaged by saving for retirement.
- **Faster 401(k) Vesting:** Increase 401(k) benefits by triggering the employer-match for 401(k) accounts sooner.
- **Tax-Refund IRA:** Make it easier for all Americans to save by allowing them to directly deposit part of their tax refund into an IRA or other retirement savings plan.
- **Increased Options for Retirement Income:** Encourage employers to offer their employees the option to convert their retirement plan into an annuity when they retire. Employers would receive a tax credit to help offset their administrative costs. The annuity would guarantee that retirees receive a specified amount of monthly income for the rest of their lives.

Ensure Pension Fairness: Democrats will reform bankruptcy and pension laws to prevent companies from unfairly dumping pension plans and will make certain that employees receive the benefits they have been promised after a lifetime of hard work.

- **Stop Unfair Dumping of Pensions:** Remove incentives for corporations to use the bankruptcy process to dump their pension plans when there are sufficient assets to sustain these plans. Require companies to consider workable alternatives to the termination of pension plans and give employees and retirees a stronger voice in the process. These safeguards will also protect viable companies from the risk of liquidation and the loss of jobs.
- **Greater Transparency:** Give employees and investors accurate and timely financial information on significantly under-funded pension plans by requiring companies to release this information.
- **Fairness:** Treat corporate CEOs and employees fairly under pension and tax laws; if employee benefits are cut, executives should face similar restrictions.
- **Equity for Older Workers:** Protect longtime employees when a company moves from a traditional pension to a cash balance plan by allowing employees to choose the plan that works best for their retirement needs.

SOCIAL SECURITY PRIVATIZATION WILL CUT BENEFITS AND HURT RURAL COMMUNITIES

The Republican privatization proposal hurts everyone, but people in our small towns and rural communities are particularly at risk. This proposal will cut guaranteed Social Security benefits for the middle class by more than 40 percent in the coming decades. And privatization replaces these guaranteed benefits with risky private accounts. We need to protect Social Security benefits that people have earned, not a plan that makes the Social Security problem worse by draining almost \$5 trillion dollars away from Social Security and adding to the debt. Privatization will also force America to borrow trillions from foreign countries and mortgage the future of our children and grandchildren.

Social Security privatization will cut guaranteed benefits. Privatization would take trillions from Social Security, endangering the benefits of current retirees, widows and children, and people with disabilities. It would also directly cut benefits for the middle class by more than 40 percent for future generations -- even for people who do not set up a private account. These would be the largest benefit cuts in Social Security in history, and would hit all Americans making more than \$20,000.

Cuts in Social Security benefits would hit rural communities especially hard, since rural Americans are older, and more likely to depend on Social Security. Social Security is crucial to economic independence of seniors who have worked hard and paid taxes all of their life. In 2001, 20 percent of the rural U.S. population was 60 years old or older, compared to only 15 percent in metropolitan America. Moreover, 13 percent of the rural elderly are poor, compared to only 9 percent in metropolitan America. Rural communities account for more than 90 percent of the counties with higher senior populations (20 percent or more), so protecting guaranteed Social Security benefits is important to these communities.

Women in rural communities would be especially hard hit. Senior women in rural communities are among America's poorest citizens and cannot afford to pay the price for the President's plan to privatize Social Security and cut benefits. Some 15 percent of rural women over 60 are poor, compared to 11 percent of men, and women make up 80 percent of rural seniors over age 85 with income of less than \$10,000. And yet, the President's plan would cut Social Security benefits for widows and surviving children. Further, widows could inherit debt instead of a nest egg -- as they would have to pay a privatization tax on any private account left to them.

Disability benefits, which are crucial to rural communities, are at risk. People in rural communities are more likely to become disabled, as rural workers tend to have more dangerous occupations and higher rates of injury. More than 20 percent of those in rural areas have a disability. Despite earlier promises, the Administration has indicated that they are open to cutting Social Security disability benefits.

Social Security privatization requires trillions in borrowing mostly from foreign countries. The Bush plan would add nearly \$5 trillion dollars to the debt over 20 years, on top of our already record high of about \$8.5 trillion national debt. This fiscal recklessness is already imposing a debt tax of about \$3,000 per American families of four. And this plan will further increase the already skyrocketing deficit. That's an immoral burden to place on the next generation. This rising debt will also force us to borrow even more from foreign countries, including China and Japan, leaving our country's financial future in their hands. Since January 2001, about 75 percent of new U.S. debt has already been financed by foreign countries.

Americans have earned their Social Security benefits – and Democrats will fight to protect them. Social Security is based on the contributions of millions of workers to ensure that every American can achieve retirement security. Congress should not be allowed to spend Social Security taxes on anything but Social Security benefits. Democrats are committed to a bipartisan solution to strengthen Social Security without increasing the deficit, harming the middle class, or slashing guaranteed benefits. And the first step is to make sure that every dollar borrowed from Social Security is paid back.

RISKY REPUBLICAN PRIVATIZATION PLAN WILL CUT SOCIAL SECURITY BENEFITS BY MORE THAN 40 PERCENT AND HURT WOMEN

The Republican privatization proposal hurts everyone, but women are particularly at risk. This proposal will cut guaranteed Social Security benefits for the middle class by more than 40 percent in the coming decades. And privatization replaces these guaranteed benefits with risky private accounts. We need to protect Social Security benefits the people have earned, not a plan that makes the Social Security problem worse by draining almost \$5 trillion dollars away from Social Security and adding to the debt.

Privatization will force America to borrow trillions from foreign countries and mortgage the future of our children and grandchildren.

Social Security provides retirement and economic security to women. More than 24 million women receive Social Security. Women make up 58 percent of seniors receiving Social Security. Without Social Security, 53 percent of all senior women would be poor. In 2000, Social Security lifted 7 million senior women out of poverty. At the end of 2003, the average monthly retirement benefit for women was \$798.

Even though more than 24 million women receive Social Security, Republicans are advocating Social Security privatization that will hurt everyone, including today's beneficiaries. Privatization would take trillions from Social Security, endangering the benefits of current retirees and people with disabilities. It would also directly cut benefits by more than 40 percent for future generations -- even for people who decide not to set up a private account. These would be the largest single benefit cuts in Social Security in history, and would hit 70 percent of Americans -- all of those making more than \$20,000.

Republican cuts would apply to survivor benefits and could apply to disability benefits-- particularly harming women. More than 7.5 million women on Social Security and 2.7 million children under 18 receive disability or survivor benefits, and yet the Republican plan would cut survivor benefits drastically and could also cut disability benefits. And survivors would be required to pay a privatization tax, typically 70 percent, on any private account left to them even as they face the tragedy of losing their loved one.

Republican privatization plans cut benefits and make women worse off. The Republican privatization plan will also harm women more, as women's life expectancy at age 65 is three years longer than men. So, any contributions to the private account would have to stretch out over more years. In addition, the private accounts do not have the guaranteed annual cost-of-living increase in Social Security, which would jeopardize the retirement security of older women through a gamble in stock market. Even further, the head of the Social Security-writing committee, Republican Chairman Bill Thomas, has proposed cutting Social Security benefits more for women, because of their longer lifespan.

Social Security is a good deal for women; risky Republican private accounts are not. Social Security gives people with lower earnings a greater return on what they paid in, and women on average have lower incomes and less time in the workforce. In fact, women's earnings are only 77 percent of men's, despite the economic progress women have made. But private accounts would not be as progressive as the current benefit, and are a risky alternative to Social Security. In fact, private accounts would not make up for the Social Security benefit cuts, when you take the risk of investing in the market into account.

Americans have earned their Social Security benefits – and Democrats will fight to protect them. Social Security is based on the contributions of millions of workers to ensure that every American can achieve retirement security. Congress should not be allowed to spend Social Security taxes on anything but Social Security benefits. Democrats are committed to a bipartisan solution to strengthen Social Security without increasing the deficit, harming the middle class, or slashing guaranteed benefits. And the first step is to make sure that every dollar borrowed from Social Security is paid back.

SOCIAL SECURITY & THE STATES: PEOPLE RECEIVING MONTHLY BENEFITS, 2005

STATE	Total Beneficiaries	Retired Workers	Disabled Workers	Widow(er)s	Spouses	Children
Alabama	903,561	492,486	169,641	97,543	46,205	97,686
Alaska	64,835	38,638	9,597	5,115	2,935	8,550
Arizona	923,086	602,483	122,312	76,945	49,044	72,302
Arkansas	566,203	321,141	104,022	56,797	27,629	56,614
California	4,463,834	2,875,597	551,423	401,685	278,160	356,969
Colorado	584,527	378,977	72,394	54,726	35,446	42,984
Connecticut	585,171	407,029	64,730	47,898	23,982	41,532
Delaware	150,176	98,005	20,675	12,850	6,592	12,054
DC	71,376	46,065	9,723	6,514	2,161	6,913
Florida	3,430,816	2,332,119	396,493	293,483	176,155	232,566
Georgia	1,233,341	736,711	197,045	119,686	53,535	126,364
Hawaii	202,224	144,268	18,630	15,850	9,298	14,178
Idaho	226,287	144,961	29,293	20,390	13,767	17,876
Illinois	1,893,023	1,227,341	221,856	192,201	96,921	154,704
Indiana	1,063,845	672,309	141,821	106,188	54,394	89,133
Iowa	552,325	365,400	59,470	58,306	33,709	35,440
Kansas	452,046	296,109	53,498	44,895	24,185	33,359
Kentucky	797,725	415,741	160,140	91,338	48,948	81,558
Louisiana	715,061	368,471	108,749	99,448	55,834	82,559
Maine	270,682	163,943	46,156	24,111	13,753	22,719
Maryland	771,266	508,618	90,593	72,918	35,444	63,693
Massachusetts	1,066,957	693,006	152,020	91,157	46,267	84,507
Michigan	1,748,609	1,082,985	239,163	175,135	98,756	152,570
Minnesota	787,610	526,794	89,817	74,492	43,643	52,864
Mississippi	549,379	292,616	106,616	55,894	24,381	69,872
Missouri	1,063,191	653,626	161,209	103,613	52,569	92,174
Montana	169,412	109,062	20,531	16,981	10,494	12,344
Nebraska	292,000	191,944	32,799	29,672	17,122	20,463
Nevada	346,345	234,280	45,205	26,355	14,831	25,674
New Hampshire	220,711	145,096	31,943	16,783	8,872	18,017
New Jersey	1,375,756	942,962	153,621	120,643	57,944	100,586
New Mexico	311,364	186,575	45,197	30,057	20,719	28,816
New York	3,063,816	1,992,611	403,436	269,915	146,504	251,350
North Carolina	1,509,649	940,866	249,758	130,129	57,946	130,950
North Dakota	114,560	72,241	10,912	14,916	9,312	7,179
Ohio	1,960,945	1,207,379	241,962	231,538	131,204	148,862
Oklahoma	635,618	388,084	90,904	67,407	35,524	53,699
Oregon	618,601	414,204	75,364	55,962	34,103	38,968
Pennsylvania	2,419,023	1,561,287	292,983	257,392	130,933	176,428
Rhode Island	192,810	128,387	28,819	14,796	6,390	14,418
South Carolina	778,483	471,734	131,035	70,451	30,946	74,317
South Dakota	139,193	91,132	14,215	15,090	9,314	9,442
Tennessee	1,089,655	641,461	181,731	110,312	54,155	101,996
Texas	2,952,307	1,758,974	383,495	333,264	201,776	274,798
Utah	272,983	177,402	29,723	22,841	18,009	25,008
Vermont	112,243	72,243	15,832	10,009	5,459	8,700
Virginia	1,139,762	710,026	165,961	109,437	57,268	97,070
Washington	937,567	613,643	123,168	82,391	53,137	65,228
West Virginia	414,040	210,412	79,526	53,328	31,511	39,263
Wisconsin	953,640	639,270	110,360	89,371	47,754	66,885
Wyoming	82,956	54,839	9,771	7,797	4,681	5,868

SOURCE: Social Security Administration, June 2006